

## **Tools to Finance Community-Based Environmental Protection**

### **Introduction**

Community-Based Environmental Protection (CBEP) refers to the tailoring of environmental programs and revenue devices to the unique problems and goals of a particular place, such as a watershed, ecosystem, or a community. The CBEP approach is designed to involve localities more intimately in the selection and use of financial mechanisms, maximize the use of scarce resources, enhance the popularity of environmental issues, and more readily involve the private sector in public improvements. CBEP seeks to reflect regional and local conditions, environmental priorities, and economic goals.

Community-Based Environmental Protection funding approaches are among the most innovative and fastest growing type of financing in this country today. The hallmark of CBEP tools is that most are voluntary and based on the acceptance and active participation of individuals; and they involve both the private and nonprofit sectors in non-traditional roles. Any of the financial tools in this Guidebook can be tailored to local uses and priorities. The unique and highly innovative tools described in this section employ traditional forms of financing as the take-off point. They are designed to reward and encourage environmental protection, unite the public and private sectors in interdependent ways, and bend the forces of the economic marketplace toward these ends. In a sense, CBEP views the public and private sectors as interchangeable, with the government sector supporting the private sector and the latter assuming quasi-government roles.

Parks and recreation, open space conservation, and natural habitat protection are the most popular focal points of community-based environmental protection funding, and they represent the area of greatest volunteerism with the nonprofit sector often taking the lead. Here, communities have adapted some structured funding approaches to meet their needs, such as the formation of special districts, tax increment financing and special tax bonds, and even earmarking a portion of state lottery revenues. Dedicated trust funds, land trusts and conservation easements have been the target of both of public and private financing, including matching funds, special bonds, and corporate and individual donations.

A chief advantage of the majority of community-based environmental financing mechanisms is that they can generate a great deal of enthusiastic and voluntary support without causing much opposition. CBEP financing mechanisms depend upon the enlightened self-interest of individuals, private firms, and governments; and they often result in considerable financial leveraging. They finance long-term protection measures which are not necessarily the target or result of government regulation. The tools in this section capture the spirit, enthusiasm and love that Americans hold for specific regions, valuable natural resources, and the places where they live.

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## **Adopt-an-Animal Programs**

**Description:** Adopt-an-animal programs are used to raise money for zoos, environmental organizations, and environmental programs. Through Adopt-an-animal programs, individuals and corporations pay a fee to adopt particular animals or species. These species are usually officially designated as threatened or endangered under the Endangered Species Act. The individual or corporation is given educational materials on the animal or species they adopt. The Caribbean Conservation Corporation and Sea Turtle Survival League offers people the option of adopting individual satellite tagged turtles and tracking their movements through their Website. Adopt-an-animal programs can also include publicity and outreach campaigns where experts visit local schools, community centers, and parks to speak about an animal or species and how to help protect it. Examples of adopt-an-animal programs include the Caribbean Conservation Corporation and Sea Turtle Survival League's Adopt-a-Turtle program, World Wildlife Fund's program for adopting endangered animals, and the National Zoo's Adopt a Species program.

**Reference for Further Information:** Caribbean Conservation Corporation and Sea Turtle Survival League Website: <http://www.cccturtle.org/member.htm>. World Wildlife Fund Website: <http://www.worldwildlife.org/>, click on "Adoption Center." National Zoo Website: <http://nationalzoo.si.edu/Support/AdoptSpecies/>.

## **Fundraising Merchandise**

**Description:** States and localities, as well as the federal government, sell various items and dedicate the revenues to environmental programs. Sometimes revenues are earmarked to site-specific environmental projects. The merchandise sold frequently for this purpose includes auto license plates and stamps. Many states sell special edition license plates to fund environmental conservation activities. The plates are decorated with environmental slogans and designs to show the car owner's support of a particular environmental cause. For example, Maryland and Virginia sell a special "Save the Bay" license plate for \$20-\$25 each, generating millions of dollars for the Chesapeake Bay Trust and the Chesapeake Bay Restoration Fund. New Hampshire's Moose Plate program supports several grant programs for environmental and cultural conservation. The federal government and most states have duck stamp programs to raise money for waterfowl and wetlands protection projects. These stamps are collector's items.

**Reference for Further Information:** Chesapeake Bay Trust Bay Plate Website: <http://www.chesapeakebaytrust.org/bayplate.html>. Virginia Chesapeake Bay Restoration Fund Website: <http://www.state.va.us/dcr/sw/bayfund.htm>. New Hampshire Moose Plate Program Website: <http://www.mooseplate.com/overview.html>. The Federal Duck Stamp Program Website: <http://www.fws.gov/duckstamps/>.

### **U.S. Department of Agriculture Farm Service Agency: Conservation Reserve Program**

**Description:** The Conservation Reserve Program (CRP) is a voluntary program for agricultural landowners administered by the Commodity Credit Corporation through the U.S. Department of Agriculture Farm Service Agency. The CRP provides direct assistance payments to eligible applicants to place environmentally sensitive and highly erodible cropland into a 10-15 year contract, i.e., taking it out of crop production. The participant, in return for annual payments, implements a locally approved conservation plan for converting cropland to a less intensive use by planting grasses, legumes, fobs, shrubs, or trees. The CRP seeks to protect the nation's long-term capability to produce food and fiber, reduce soil erosion and sedimentation, create better habitat for fish and wildlife, provide needed income support to farmers, and reduce nonpoint source pollution. The program is leveraged in that it will pay up to 50% of the costs of implementing approved conservation plans.

**Reference for Further Information:** U.S. Department of Agriculture Farm Service Agency Website: [www.fsa.usda.gov/dafp/cepd/crp.htm](http://www.fsa.usda.gov/dafp/cepd/crp.htm).

### **U.S. Department of Agriculture Natural Resources Conservation Service: Wetlands Reserve Program**

**Description:** The Wetlands Reserve Program (WRP), managed by the U.S. Department of Agriculture Natural Resources Conservation Service, provides technical and financial assistance to eligible landowners to address wetland, wildlife habitat, soil, water, and related natural resource concerns on private lands. The WRP is a voluntary program. The majority of lands enrolled in the WRP are high-risk agricultural lands located in flood prone areas that are restored to wetlands through the program. The goal of the WRP is to achieve the greatest wetland functions and values, along with optimum wildlife habitat, on every acre enrolled in the program. At least 70% of each project area is expected to be restored to natural conditions, and the remaining 30% can be restored to other than natural conditions. There are three options for WRP participants: ten year restoration cost-share agreements, thirty year conservation easements, and permanent easements. There is also a Wetlands Reserve Enhancement Program (WREP) that is administered under the authority of the WRP to enhance delivery of the WRP. The WREP is described in this section of the Guidebook.

**Reference for Further Information:** U.S. Department of Agriculture, Natural Resources Conservation Service Website: <http://www.nrcs.usda.gov/PROGRAMS/wrp/>.

## **Candidate Conservation Agreements with Assurances**

**Description:** Through Candidate Conservation Agreements with Assurances, non-federal property owners commit to implementing conservation measures to protect a specific species considered likely to be listed as threatened or endangered, under the Endangered Species Act of 1973 (ESA), in the near future. In exchange for making this commitment, the property owners receive assurances from the Fish and Wildlife Service and the National Marine Fisheries Service that additional conservation measures will not be required and additional land, water, or resource use restrictions will not be imposed on them should the species become listed under the ESA in the future. The assurances are provided in the property owner's Candidate Conservation Agreement, and in an associated enhancement of survival permit issued under section 10(a)(1)(A) of the ESA. Candidate Conservation Agreements with Assurances can create an incentive for landowners to implement conservation measures by providing them with the financial security of protections preventing future restrictions on the use of their land.

**Reference for Further Information:** Federal Register Notice:

<http://www.fws.gov/endangered/policy/ccaa.pdf>. Environmental Defense Website:

<http://www.environmentaldefense.org/home.cfm>, search on "Candidate Conservation Agreements with Assurances" within the Website.

## **Capital Improvements Programs**

**Description:** A Capital Improvements Program (CIP) is a planning and financial management process used by public sector agencies for identifying, prioritizing and scheduling planned capital improvements such as construction projects, watershed restoration initiatives, and storm water management projects. CIP's are usually updated and revised on an annual or semi-annual basis. At their most basic, they involve an internal and public review process which results in a prioritized listing and schedule for future capital investments. More sophisticated CIP's also contain a financing element which may consider sources of financing, impacts of facilities on operating costs, and effect on tax rates, debt loads and borrowing limitations. CIPs are used by most medium and large governmental units and public service providers throughout the nation to plan their capital investments, environmental and otherwise. Kansas City; Baltimore County, Maryland; and Florida are examples of jurisdictions with CIP programs.

**Reference for Further Information:** Kansas City Capital Improvements Management Office

Website: [www.kcmo.org/cimo.nsf/web/home?opendocument](http://www.kcmo.org/cimo.nsf/web/home?opendocument). Baltimore County, Maryland

Website: [http://www.co.ba.md.us/Agencies/planning/public\\_facilities\\_planning/cip.html](http://www.co.ba.md.us/Agencies/planning/public_facilities_planning/cip.html).

Northwest Florida Water Management District Website:

[http://www.nwfwmd.state.fl.us/rmd/swim/fla\\_forever\\_grants/fla\\_forever\\_grants.htm](http://www.nwfwmd.state.fl.us/rmd/swim/fla_forever_grants/fla_forever_grants.htm).

## **Certified Green Buildings**

**Description:** Green Buildings are certified by a number of different systems that share the common goals of clean indoor air, resource conservation, and reduced environmental impacts. In the process of Green Building certification, the entire life-cycle of the buildings and their components is usually considered. Certified Green Buildings are typically designed to utilize renewable energy sources and conserve energy. They are often located near public transit and within easy walking distance of stores, schools, and other necessities. In addition, they frequently have water conservation features incorporated into building design and landscaping. Most Certified Green Buildings are also designed to have clean indoor air. That is very important, considering that the air quality in many buildings can be more of a health hazard than the outdoor air in even the most industrialized cities. Certified Green Buildings tend to have low operation and maintenance costs, so they can be a very good investment. Green Building certification can help potential and current home owners to qualify for better mortgage terms.

**Reference for Further Information:** Smart Communities Network Website: <http://www.smartcommunities.ncat.org/buildings/gbintro.shtml>. U.S. Green Building Council Website: <http://www.usgbc.org/>. Build It Green Website: <http://www.builditgreen.org/>. U.S. Environmental Protection Agency Website: <http://www.epa.gov/opptintr/greenbuilding/>.

## **Community Foundations**

**Description:** A community foundation is a federally tax-exempt non-profit organization that makes grants for charitable purposes in a specific community or region. The funds available to a community foundation are usually derived from many donors and held in an endowment that is independently administered. Income earned by the endowment is used to make discretionary grants meant to build, strengthen and improve the community through environmental protection initiatives and other measures. Although a community foundation may be classified by the Internal Revenue Service as a private foundation under Section 501(c)(3) of the tax code, most are classified as public charities and are thus eligible for maximum tax-deductible contributions from the general public under Section 170 of the code. Community associations' basic appeal to donors is their flexibility. Donors can choose between many different ways of giving tax deductible charitable gifts. The donor can also specify how these donations will be used. This flexibility allows many individuals, through gifts and bequests, to establish permanent endowment funds within one community foundation.

**Reference for Further Information:** Foundation Center Website: [www.fdncenter.org/](http://www.fdncenter.org/). Community Foundations of America Website: [www.cfamerica.org](http://www.cfamerica.org).

## Community Supported Agriculture Agreements

**Description:** Community Supported Agriculture agreements (CSAs) connect farmers and consumers in mutually beneficial arrangements where consumers buy seasonal “shares” of the harvest at participating farms before the growing season begins. CSAs provide economic benefits to small farms that utilize sustainable agriculture practices, such as the grazing of livestock on large, well vegetated pastures, and reduced pesticide use through Integrated Pest Management. They do this by providing the farmers with a predictable source of income at the beginning of the growing season. They also provide consumers with farm fresh foods that may not be available to them otherwise. CSAs help consumers to have a personal connection with the land on which their food is grown, and they create opportunities for them to communicate with farmers about their environmental practices.

**References for Further Information:** The Weston A. Price Foundation has many U.S. and international chapters that provide information about CSAs; for chapter contact information see <http://www.westonaprice.org/localchapters/locallist.html>. The following Websites have CSA directories: Robin Van En Center for CSA Resources: <http://www.csacenter.org/>, Local Harvest: <http://www.localharvest.org/csa/>, and Future Harvest-CASA: <http://www.futureharvestcasa.org>.

## Conservation Easements

**Description:** A conservation easement is a voluntary agreement that allows a private landowner to limit the type or amount of development on his or her property while maintaining partial ownership of the property. The easement is signed by the landowner, who is the easement donor, and by the organization receiving the easement. The receiving organization gains partial ownership of the land. In donating an easement to an organization, the landowner is entrusting that organization with protecting his or her land from future development. Sometimes the organizations receiving the easements pay for them, but in any case acquiring conservation easements is much less expensive than fee-simple purchases. The private landowner gains federal tax benefits if the easement is permanent and is donated “exclusively for conservation purposes.” The donor may receive estate and property tax relief as well. Laws in each state vary as to the use and tax implications of private land donations to easements. Easements help to protect agricultural lands and wildlife habitats including forests and water resources.

**Reference for Further Information:** Byers, Michelle; and Ponte, Karin Marchetti; *The Conservation Easement Handbook*, 2<sup>nd</sup> Ed: The Land Trust Alliance and the Trust for Public Land, 2005. This and other publications on easements are available through the Land Trust Alliance Website at <http://www.lta.org/publications/index.html>. The Nature Conservancy Website: [www.nature.org](http://www.nature.org). The Trust for Public Land Website: <http://www.tpl.org/>. Little Traverse Conservancy Website: [www.landtrust.org](http://www.landtrust.org).

## Conservation Partnerships

**Description:** Any arrangement where two or more parties work together to achieve environmental protection objectives, or to help fund environmental initiatives, can qualify as a conservation partnership. There are many different examples of conservation partnerships. Within the U.S. National Park Service, working partnerships are an increasing presence. The National Park Service manages natural heritage areas through collaboration with many diverse organizations. The World Wildlife Fund (WWF) maintains partnerships with organizations that provide funding for WWF and take steps agreed upon with WWF to improve their environmental performance. The Nature Conservancy makes extensive use of conservation partnerships in working with government and the private sector to help protect valuable ecosystems. Conservation partnerships are useful for leveraging funds and pooling resources. In some cases, conservation partnerships may be used for resolving conflicts over land use while protecting ecosystems.

**Reference for Further Information:** U.S. National Park Service Website: <http://www.nps.gov/partnerships/about.htm>. Conservation Study Institute Website: <http://nps.gov/csi/partnership/practiceDial.htm>. World Wildlife Fund Website: [http://www.panda.org/about\\_t\\_wwf/](http://www.panda.org/about_t_wwf/), search within the Website on “conservation partnerships.” The Nature Conservancy Website: <http://www.nature.org/partners/>.

### U.S. Department of Agriculture Farm Service Agency: Conservation Reserve Enhancement Program

**Description:** The Conservation Reserve Enhancement Program (CREP) is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water. The CREP is an offshoot of the Conservation Reserve Program (CRP), which is the largest environmental improvement program for private lands in the U.S. Both the CREP and the CRP are run by the U.S. Department of Agriculture (USDA) Farm Service Agency. Through combining CRP resources with state, tribal, and private programs, the CREP provides farmers and ranchers with sound financial packages for conserving and enhancing natural resources on farmlands. A specific CREP project begins when a state, tribe, local government, or nongovernmental entity identifies an agriculture-related environmental issue of state or national significance, and works with the Farm Service Agency to develop a project proposal to address that issue.

**Reference for Further Information:** See the USDA Farm Service Agency Website at <http://www.fsa.usda.gov/dafp/cepd/crep.htm>. Also see the description of the Conservation Reserve Program in this section of the Guidebook. For additional information about the CREP, contact any county Department of Agriculture Service Center.

## Land Trusts

**Description:** Land trusts acquire and manage ecologically valuable lands on behalf of state and local governments. They are similar to dedicated government trust funds and are funded by a variety of sources, including real estate transfer and property taxes. Land trusts combine management, financing, and planning functions in a single entity. Land management under trusts is often a joint endeavor. Land trusts are highly leveraged, linking public and private funding. Nonprofit land trusts are supported by government monies and private donations. State land trusts are funded by a combination of state (sometimes multi-state), local, and private donations. Revenues from timber harvests, farming, recreation, and other land uses may be rededicated to land trusts. Land purchased for mitigation purposes is often put into trusts. Land acquisition is frequently brokered by nonprofits such as The Trust for Public Land, the Land Trust Alliance, the American Farmland Trust, and The Nature Conservancy. An example of a land trust is the Sterling Forest 16,000 acre acquisition in New York and New Jersey.

**Reference for Further Information:** Trust for Public Land Website: <http://www.tpl.org/>. Land Trust Alliance Website: [www.lta.org](http://www.lta.org). The Nature Conservancy Website: <http://www.nature.org/>. American Farmland Trust Website: <http://www.farmland.org/>. See press release on Sterling Forest at [http://www.ny.gov/governor/press/02/may6\\_02.htm](http://www.ny.gov/governor/press/02/may6_02.htm).

## Cost-Share Programs for Nonpoint Source Pollution Control

**Description:** Under cost-share programs, landowners are provided with financial assistance to help them implement Best Management Practices (BMPs) for reducing nonpoint source pollution, which is pollution that is not traced to a specific source. Agricultural Best Management Practices (BMPs), which are conservation measures that prevent water pollution by reducing soil erosion and sedimentation, are frequently implemented with assistance from cost-share programs. Agricultural BMPs include conservation tillage, crop nutrient management, pest management, and conservation buffers. Cost-share programs for nonpoint source pollution control are generally administered at the state level and are funded with state, and sometimes federal, dollars. Delaware, Minnesota, and West Virginia utilize loan money from the federal Clean Water State Revolving Fund to fund their cost-share programs (see the links to the Environmental Protection Agency reports below).

**Reference for Further Information:** U.S. Environmental Protection Agency Reports: <http://www.epa.gov/owmitnet/cwfinance/cwsrf/agfact.pdf> and <http://www.epa.gov/owm/cwfinance/cwsrf/final.pdf>. Virginia Department of Conservation and Recreation Website: <http://www.state.va.us/dcr/sw/costshare.htm>. Minnesota Cost-Share Program Fact Sheet: <http://www.bwsr.state.mn.us/grantscostshare/costshare/factsheet2.html>.

## **Dedicated Government Trust Funds**

**Description:** A dedicated government trust fund is an account set up to receive and disburse revenues for a specific program/activity. The most commonly used methods of raising revenue for dedicated government trust funds include earmarked portions of taxes and fees, referendum bond act dollars, environmental fines and penalties, lotteries, budget surpluses, and private donations. Deposits accrue automatically and usually are available only for the purpose named in the dedication. States and localities throughout the U.S. have dedicated environmental trust funds. Common uses for dedicated environmental trust funds include open space acquisition, habitat restoration, and the operation and maintenance of pollution control facilities. Some examples of state and local dedicated environmental trust funds include: The Nebraska Environmental Trust, South Carolina's Heritage Trust Program, and the Natural Lands Trust Fund in Ocean County, New Jersey. The Superfund Trust Fund and the Nuclear Waste Fund are examples of federal dedicated trust funds.

**Reference of Further Information:** The Nebraska Environmental Trust Website: [www.environmentaltrust.org](http://www.environmentaltrust.org). U.S. Department of Energy, Energy Information Administration Website: <http://www.eia.doe.gov/oiaf/servicerpt/subsidy/excise.html>. The Trust for Public Land Website: <http://www.tpl.org>, search within the site on "land trust fund" to get information about trust funds for land conservation in New Jersey, South Carolina, and other states.

## **Emissions Trading**

**Description:** Emissions trading programs allow sources of air pollutants to trade pollutants in some fashion, either geographically, over time, or among other sources. Many emissions trading programs incorporate a "bubble" structure. A bubble program treats multiple emission sources as if they were included within an imaginary bubble, allowing existing sources to adjust emissions levels within the bubble as long as an aggregate limit on emissions is not exceeded. "Offset" programs allow new sources to obtain emissions credits from existing sources to offset new emissions. "Banking" programs allow sources to store emission reduction credits for future use or sale. "Netting" programs allow sources undergoing modification to avoid new source review if plant-wide emissions are reduced. In its Clean Air Market Programs, The U.S. Environmental Protection Agency (EPA) employs a flexible emissions trading approach with emissions allowances and caps. This approach is called "allowance trading" or "cap and trade."

**Reference for Further Information:** U.S. Environmental Protection Agency Website: <http://www.epa.gov/airmarkets/trading/basics/index.html>. International Emissions Trading Association Website: <http://www.iet.org/iet/www/pages/index.php>. Michigan Department of Environmental Quality Website: <http://www.michigan.gov/deq/>, click on "Programs" first, then "Emissions Trading."

## Lotteries

**Description:** When operated for the benefit of state or local governments, lotteries generally retain a portion of the revenue from ticket sales, ranging from 10 to 50 percent depending on the game, for dedicated uses such as environmental protection. There are many examples of lotteries being used to raise money for state environmental protection initiatives. The Minnesota Environment & Natural Resources Trust Fund, a permanent source of revenue for environmental and natural resource protection and restoration activities, receives 40% of net Minnesota state lottery proceeds. Colorado has a lottery-funded conservation program called Great Outdoors Colorado. Many other states, including Arizona and Nebraska, use a portion of lottery proceeds to raise money for environmental protection initiatives.

**Reference for Further Information:** North American Association of State and Provincial Lotteries Website: [www.naspl.org](http://www.naspl.org). State Environmental Resource Center Website: <http://www.serconline.org/conservationfunding/stateactivity.html>. Minnesota Environment & Natural Resources Trust Fund Website: <http://www.commissions.leg.state.mn.us/lcmr/trustfund/tfquestion.htm>. Great Outdoors Colorado Website: <http://www.goco.org/>. Arizona Heritage Fund Website: [http://www.azgfd.gov/w\\_c/heritage\\_program.shtml](http://www.azgfd.gov/w_c/heritage_program.shtml). Nebraska Environmental Trust Website: [www.environmentaltrust.org](http://www.environmentaltrust.org).

## Green Credit Cards

**Description:** To issue a “green credit card,” a private or nonprofit environmental organization works with a bank or other financial institution. For each green credit card issued, a fixed amount per card and a small percentage of the spending is donated to the organization. Green credit cards are effective fundraising mechanisms for many environmental organizations. Still, it is important to consider that the companies issuing green credit cards may be financing environmentally destructive practices. However, a green credit card is a more “environmentally friendly” alternative to a standard credit card offered by the same company, assuming that the organization supported by the card is using its funds effectively for environmental protection. Many environmental organizations including the National Wildlife Federation, Defenders of Wildlife, and the Nature Conservancy utilize green credit cards for raising revenue.

**Reference for Further Information:** White, Stephanie, “Buy now, pay later: greening credit cards,” *E: The Environmental Magazine*, July-August 2005, available at: [http://findarticles.com/p/articles/mi\\_m1594/is\\_4\\_16/ai\\_n14789145](http://findarticles.com/p/articles/mi_m1594/is_4_16/ai_n14789145). List of “environment & cause related” credit cards on MBNA America Website: [http://www.mbna.com/creditcards/enviro\\_causes.html](http://www.mbna.com/creditcards/enviro_causes.html).

## Green Energy Partnerships

**Description:** Green Energy Partnerships are groups of businesses and organizations working together to assist each other in increasing their use of “green energy,” which includes electricity and heat from renewable energy resources such as wind, solar, and geothermal. Some partnerships also include in their definitions of green power electricity and heat from fuel cells, direct use of landfill gas, and hydroelectric sources they consider to be “low impact.” The members of these partnerships provide each other with many forms of assistance including financial savings, networking opportunities, information sources, legislative advocacy, and marketing and promotion. They also may share strategies and lessons learned, and work with power suppliers on marketing initiatives including the design of attractive green electricity products. Based on the theory of economies of scale, as more people purchase green energy with the assistance of these partnerships, it can be expected to become less expensive.

**References for Further Information:** Clean Energy Partnership Website: <http://www.cleanenergypartnership.org>. Green Power Market Development Group Website: <http://www.thegreenpowergroup.org>. U.S. Environmental Protection Agency Green Power Partnership Website: <http://www.epa.gov/greenpower/aboutus.htm>, also see the “EPA Green Power Partnership” tool in Section 7 of the Guidebook.

## Green Pricing

**Description:** Green Pricing is an option offered by some utilities allowing customers to pay a small premium in exchange for electricity generated from renewable, or “green,” energy sources. While there is no universal definition for “green” power, “green” energy sources include solar, wind, geothermal, biomass, ocean power, biodiesel, fuel cells, and some hydroelectric sources considered to be “low impact.” The premium charged by utilities covers the additional costs incurred by the electric utility in adding this renewable energy to its power generation mix. Some green pricing programs are accredited through the Center for Resource Solutions’ Green Pricing Accreditation Program. Green pricing helps to fund the establishment of new wind farms and other renewable power generation sources. Due to economies of scale, as renewable power sources become more prevalent and more people purchase green power, the cost of these renewable energy sources can be expected to go down.

**Reference for Further Information:** Center for Resource Solutions Website: <http://www.resource-solutions.org/greenpricing.htm>. Sterling Planet Website: <http://www.sterlingplanet.com/>. U.S. Department of Energy Website: [http://www.eere.energy.gov/consumer/your\\_home/electricity/index.cfm/](http://www.eere.energy.gov/consumer/your_home/electricity/index.cfm/).

## Individual and Corporate Donations

**Description:** Individual and corporate donations, particularly those which are tax deductible, are a popular means for supporting many nonprofit environmental organizations and some government programs. In addition to financial donations, corporate and individual donations may take the form of in-kind payments or special services. Financial donations to governments are often made through line item check-offs on income tax returns allowing taxpayers to earmark a portion of tax refunds for environmental programs. Many nonprofit organizations' operating budgets come largely from individual donations, and to a lesser extent, corporate donations. Private sector corporations and/or foundations frequently match individual financial donations. Donations are frequently used to finance environmental programs that attract significant public interest, such as programs for the conservation of scenic natural habitats, or programs protecting animals that people like to observe on outdoor expeditions, such as whales or sea turtles.

**Reference for Further Information:** Foundation Center Website: <http://fdncenter.org/>. Environmental Data Resources, Inc., *Environmental Grant Making Foundations*, 11<sup>th</sup> ed., 2005, to order see [www.environmentalgrants.com](http://www.environmentalgrants.com), or E-mail [orders@environmentalgrants.com](mailto:orders@environmentalgrants.com).

## Land Reclamation Banks

**Description:** Land reclamation banks are publicly funded or capitalized trust funds that buy contaminated sites and remediate them on behalf of a state or local government. The banks may take title to the land through a number of different means, including purchase, tax foreclosure, and eminent domain. Once the properties are remediated and developed, the bank sells or leases them to generate income for future remediation and development projects. Several cities have used land reclamation banks to clean up and redevelop brownfields. Land reclamation banks combine planning, financing, management, remediation, and redevelopment functions into a single organization. The trust funds for the banks may be financed in several different ways, including tax-increment financing, land transfer taxes, land registration fees, and property sales and leases. Land reclamation banks allow the public or nonprofit sector to assume environmental and financial liability risks that private businesses may be unwilling to assume.

**Reference for Further Information:** EnviroTools Website: <http://www.envirottools.org/financing/privateresources.shtml>.

## Location Efficient Mortgage

**Description:** The Location Efficient Mortgage (LEM) combines a three percent down payment, competitive interest rates, and flexible criteria for financial qualification to assist people in buying homes in “Location Efficient Communities.” Location Efficient Communities are neighborhoods in which residents can walk from their homes to important amenities such as stores, schools, offices, and public transportation. Location efficiency is a measure of the transportation dollars people can expect to save by living in Location Efficient Communities, based on levels of population and public transit services in their communities. Location Efficient Mortgages are currently available in four metropolitan areas: Seattle, WA; San Francisco, CA; Los Angeles, CA; and Chicago, IL. Location Efficient Communities help to reduce urban sprawl by creating an alternative to communities that depend upon the use of cars. This helps to prevent the need for roads and parking lots that contribute to loss of open space, wildlife habitat degradation, air and water pollution, and stormwater runoff problems.

**Reference for Further Information:** Location Efficient Mortgage Website: <http://www.locationefficiency.com/>. Natural Resources Defense Council (NRDC) Website: <http://www.nrdc.org/cities/smartGrowth/qlem.asp>. Also see: Natural Resources Defense Council, *Solving Sprawl: Models of Smart Growth in Communities Across America*: Island Press, 2003, order through Island Press at <http://www.islandpress.org/books/detail.html/SKU/1-55963-432-4>.

## Mitigation Banking

**Description:** Mitigation banking is the restoration, creation, enhancement, and, in exceptional circumstances, preservation of wetlands and/or other aquatic resources expressly for the purpose of providing compensatory mitigation in advance of adverse environmental impacts to similar resources. Wetlands Mitigation is required by Clean Water Act (CWA) Section 404 wetlands permits, and by state programs such as Oregon's Removal-Fill Permit Program, to compensate for wetlands removal or fill activities. The purpose of a mitigation bank is to provide for the replacement of the chemical, physical, and biological functions of wetlands and other aquatic resources. The newly established wetland functions are quantified as mitigation credits which are available for use by the mitigation bank sponsor or by other parties to compensate for adverse environmental impacts affecting wetlands.

**Reference for Further Information:** U.S. Environmental Protection Agency (EPA) Website: <http://www.epa.gov/owow/wetlands/guidance/mitbankn.html>. U. S. EPA Wetlands Hotline: 1-800-832-7828. Oregon Department of State Lands Website: [http://www.oregon.gov/DSL/PERMITS/wetland\\_mit.shtml](http://www.oregon.gov/DSL/PERMITS/wetland_mit.shtml).

## **National Compliance Assistance Centers**

The U.S. Environmental Protection Agency (EPA) operates the National Compliance Assistance Centers in partnership with other government agencies, as well as industries, academic institutions, and environmental groups. The Centers help businesses, local governments, and federal facilities to understand federal environmental laws and regulations and save money via pollution prevention techniques. They achieve this by providing information to those requesting it using means such as Websites, telephone assistance lines, fax-back systems, and e-mail discussion groups. The Centers provide compliance assistance developed primarily for the regulated entities in the following sectors: automotive service and repair, automotive recycling, chemical manufacturing, construction, agriculture, healthcare, metal finishing, paints and coatings, printed wiring board manufacturers, printing, transportation, local governments, federal facilities, and U.S./Mexico border issues. The Centers survey users annually and respondents consistently express a high degree of satisfaction with Center services.

**Reference for Further Information:** National Compliance Assistance Centers Website: <http://www.assistancecenters.net/>. U.S. Environmental Protection Agency Website: <http://www.epa.gov/compliance/assistance/centers/index.html>.

## **Nonprofit Organizations**

**Description:** Nonprofit organizations, such as foundations and trusts, are defined as non-governmental organizations (NGOs) that accrue no profit to individual members, but spend their resources pursuing specific goals. Nonprofits can be formed for many purposes, including natural lands acquisition, land management, environmental monitoring compliance, research, education, and other activities. They include independent private foundations, 501 C (3) community foundations, operating foundations which make grants to pre-selected organizations, and public foundations funded by government. Many individuals and organizations receive tax deductions for donations to nonprofits; and many governments match private donations to nonprofits. Nonprofits are often able to leverage more monetary donations, volunteer work, resources, and in-kind services than most public agencies. This is due to their tax-exempt status, but also because they provide a focal point that draws attention to the resources they protect and the environmental issues they address.

**Reference for Further Information:** U.S. Environmental Protection Agency (EPA) Resources for Non-Profit Organizations Website: <http://www.epa.gov/epahome/nonprof.htm>. Information for nonprofits on the Internal Revenue Service Website: <http://www.irs.gov/charities/index.html>.

## Point Source/Nonpoint Source Trading

**Description:** In Point Source/Nonpoint Source Trading, a point source of pollution arranges for reduction of nonpoint source pollution discharges in the same watershed in lieu of making more expensive upgrades to its own treatment beyond the minimum technology-based treatment requirements. A number of conditions are necessary for a point source/nonpoint source trading program to achieve ambient water quality objectives. There must be a combination of point sources and nonpoint sources each contributing a significant portion of the total pollutant load in the watershed, and accurate and significant data to establish targets and measure pollution reductions. There must be significant pollutant load reductions for which the marginal cost (cost per pound reduced) for nonpoint source controls are lower than the costs for upgrading point source controls. Under ideal conditions, a trading program will both save money for point source dischargers and improve water quality.

**Reference for Further Information:** U.S. Environmental Protection Agency Website: <http://www.epa.gov/OWOW/watershed/tradetbl.html>. Horan, Richard, D, Abler, David G., et. al., "Cost-effective point-nonpoint trading: An application to the Susquehanna River Basin," *Journal of the American Water Resources Association*, April 2002, available at [http://www.findarticles.com/p/articles/mi\\_qa4038/is\\_200204/ai\\_n9020966](http://www.findarticles.com/p/articles/mi_qa4038/is_200204/ai_n9020966).

## Special Districts

**Description:** A special district is an independent government entity formed to provide and finance governmental services for a specific geographic area, generally at the local level. Residents of special districts pay taxes to finance the improvements from which they will benefit. For example, a sewage special district might tax residents to finance improvements to wastewater treatment services. Special districts issue revenue bonds in a number of states. Examples of special districts include sewer and water districts, storm water management districts, regional solid waste and water resource authorities, regional port authorities, and regional air quality management districts. Local governments use special districts to finance capital facilities independently, relieving the burden on general debt capacity. For example, regional port authorities issue revenue bonds to finance port construction and/or renovation.

**Reference for Further Information:** Urban Land Institute Website: <http://www.uli.org>, search the Website on "special districts." Porter, Douglas R.; Lin, Ben C.; Peiser, Richard B; *Special Districts: A Useful Technique for Financing Infrastructure*, Washington, D.C.: Urban Land Institute, 1987.

## **Tax Increment Financing**

**Description:** Tax increment financing (TIF) provides for the temporary allocation of increased tax proceeds in a designated area generated by increases in assessed property values. In a basic TIF, property assessments are made at a pre-development, or pre-remediation, level in the specified area. Bonds are then issued to finance a portion of the redevelopment or remediation costs. As property values and assessments in the area increase, the municipality uses the added increment in tax revenues to meet the debt service on those bonds. The technique requires the creation of a special district and the maintaining of two separate sets of tax records. Tax increment financing has been used for many years by local governments across the country for a wide variety of economic development projects. It is a particularly effective tool for financing projects that provide measurable specific benefits to select, well defined groups of taxpayers, such as the remediation of a hazardous waste dump near a residential neighborhood.

**Reference for Further Information:** Wikipedia: The Free Encyclopedia Website:  
[http://en.wikipedia.org/wiki/Tax\\_increment\\_financing](http://en.wikipedia.org/wiki/Tax_increment_financing). Illinois Tax Increment Association  
Website: <http://www.illinois-tif.com/>. City of San Antonio Economic Development Department  
Website: <http://www.sanantonio.gov/edd/incentive/tax/tif.asp>.